



Headquarters
5 Hanover Square
Suite 1401
New York, NY 10004
P. 917-746-8300
www.napnap.org

Government Affairs Office
20 F St. NW
Suite 700
Washington, D.C. 20001
P. 202-223-2250

“The Future of Children’s Health Insurance Program”

The U.S. House of Representatives Committee on Energy and Commerce

Subcommittee on Health

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Submitted for the Hearing Record by the

National Association of Pediatric Nurse Practitioners

Mary L. Chesney, PhD, RN, CPNP, President

Chairman Pitts, Congressman Pallone and distinguished members of the Subcommittee:

On behalf of 7,800 pediatric nurse practitioners (PNPs) committed to providing optimal health care to children, the National Association of Pediatric Nurse Practitioners (NAPNAP) thanks you for holding this important and timely hearing on the future of the Children's Health Insurance Program. We join our colleagues and children's health advocates everywhere in recognizing Congressman Henry Waxman for his years of tireless service and commitment to improving the health of all Americans – particularly the millions of children who have been the beneficiaries of his leadership in creating the CHIP program.

Pediatric nurse practitioners are licensed advanced practice nurses who have enhanced education in pediatric health care and extensive practice and policy experience with both the Medicaid and Children's Health Insurance Program (CHIP). PNPs have been providing quality primary care, specialty, and acute care to children and families for more than 40 years in an extensive range of practice settings such as pediatric offices, schools and hospitals – reaching millions of patients across the country each year. PNPs provide care to newborns, infants, children, adolescents and young adults that includes health and developmental screening, managing acute and chronic conditions, ordering and interpreting diagnostic tests, prescribing medications, administering immunizations, coordinating care across the health care continuum and making referrals to other professionals as appropriate.

PNPs know first-hand how important the CHIP program is to the health of children in our country. CHIP has become a dependable source of coverage for low-income children in working families whose parents earn too much to qualify for Medicaid but too little to afford private health insurance. Since 1997 when CHIP was enacted with strong bipartisan support, it has helped to cut the number of low-income, uninsured children across the country by an amazing 50 percent – from 25 percent in 1997 to 13 percent in 2012 – while improving health outcomes and access to care for children and pregnant women. More than 8 million children across the country were insured through CHIP in 2012 – an all-time high.

The services that CHIP helps to provide are crucial for children's health. Uninsured children are three times more likely than those with insurance to lack needed medication and five times more likely to have an unmet health care need, including significantly lower rates of preventive care. Children enrolled in CHIP have access to a full range of primary, specialty and ancillary pediatric providers, including pediatric nurse practitioners, to ensure they receive comprehensive medically and developmentally appropriate care.

The CHIP program helps to ensure that low-income families have access to affordable care by limiting their out-of-pocket costs to no more than 5 percent of family income. In addition, many states provide children enrolled in CHIP with Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, a strong set of pediatric-specific benefits that provides comprehensive care based on children's unique needs, including appropriate preventive, dental, mental health, and developmental, and specialty services.

As you know, one of the strengths of the CHIP program is a structure that gives states flexibility to design a program that meets the needs of their distinct populations. This design has helped states tackle the costs of uncompensated care while reducing the numbers of uninsured children and pregnant women. The number of children eligible for but not enrolled in Medicaid and CHIP dropped by 18 percent between 2008 and 2011 – thanks largely to flexible state options created by Congress to improve enrollment strategies, such as express lane eligibility and 12-month continuous eligibility, when the CHIP program was last reauthorized in 2009. At the same time, because CHIP is a program devised specifically for children, its benefit design and provider networks are tailored to meet their special needs.

NAPNAP believes that continued federal funding for CHIP is essential to maintain these gains in health care coverage for children. As you are well aware, although Congress has authorized the program itself through federal fiscal year 2019, federal funding for the program will expire on October 1, 2015 unless Congress takes action to extend it. NAPNAP supports the committee's desire to conduct a thorough examination of the CHIP program, its current performance and its direction for the future. However, at a time when states are still adjusting to numerous changes in health care coverage, PNPs believe it is essential that Congress secure the federal government's financial commitment to CHIP as quickly as possible, so that states will be able to operate their programs without disruption.

The timing is crucial: state legislatures will soon convene to begin drafting and enacting their budgets for 2015. If it is unclear whether the federal government will continue to provide adequate resources to sustain the CHIP program, states will face difficult decision on cutting funding from other priorities to pay for CHIP coverage or reducing their children's health coverage. With some state legislatures in regular session only through March, it would be impossible for Congress to conduct a thorough review of the program and approve an extension of funding in time to give states the assurance they need.

Without CHIP, the uninsured rate would increase significantly and the health of children and families would be jeopardized. The Congressional Budget Office recently estimated that 12.7 million children projected to be enrolled in fiscal year 2015 are at risk of losing their CHIP coverage in 2016 if the program is not reauthorized. Likewise, pregnant women enrolled in CHIP could be left without other sources of prenatal care, jeopardizing the health of their newborns.

CHIP typically provides more comprehensive benefits designed to meet children's needs than plans offered in health insurance marketplaces. At least half of the states have chosen as their benchmark the "largest small business plan" primarily designed for adults. In nearly all instances, CHIP is substantially more affordable than current marketplace policies and provides better coverage for children. Finally, the so-called "family glitch" means that families that include as many as 2 million children who would otherwise be eligible will not be able to obtain premium tax credits to purchase affordable marketplace health coverage.

NAPNAP is grateful to Congressmen Pallone and Waxman for introducing the "CHIP Extension and Improvement Act of 2014" (H.R. 5346) to provide a starting point for the committee's deliberations on the future of the CHIP program. We thank Chairman Pitts and Chairman Upton for convening this hearing and for directly soliciting the input of governors and other stakeholders to begin this critically important discussion on finding a bipartisan approach to preserving and improving children's health care by continuing the Children's Health Insurance Program. Pediatric nurse practitioners look forward to working with you and your colleagues to facilitate prompt action to extend funding for the CHIP program as quickly as possible to provide sufficient time for thoughtful discussions about the program's long-term future.